

Potter Investments is a partnership with four partners and has elected to pay the Pass-through Entity Elective Tax (PTE-E). The Schedule K on the Form 1065 has the following entries:

Schedule K		Partners' Distributive Share Items		Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 1, line 22)		1	(1,825,577)
	2	Net rental real estate income (loss) (attach Form 8825)		2	1,870
	3a	Other gross rental income (loss)	3a 123,470		
	b	Expenses from other rental activities (attach statement)	3b		
	c	Other net rental income (loss). Subtract line 3b from line 3a		3c	123,470
	4	Guaranteed payments: a Services 4a b Capital 4b		4c	
	c	Total. Add lines 4a and 4b		4c	
	5	Interest income		5	184,869
	6	Dividends and dividend equivalents: a Ordinary dividends		6a	250,199
	b	Qualified dividends 6b 235,332	c Dividend equivalents 6c		
	7	Royalties		7	383,910
8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		8	2,790,211	
9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))		9a		
b	Collectibles (28%) gain (loss)	9b			
c	Unrecaptured section 1250 gain (attach statement)	9c 40,559			
10	Net section 1231 gain (loss) (attach Form 4797)		10		
11	Other income (loss) (see instructions) Type ▶		11	3,324,172	

Income is apportioned with 10.6730% being Oregon source income. The company made timely estimated tax payments in the amount of \$50,000.

The following members for this partnership are:

- Individual Member #1 50% ownership
- Individual Member #2 30% ownership
- Individual Member #3 10% ownership
- Individual Member #4 10% ownership

This partnership also owns two other partnerships, A and B. Partnership A elected to pay the PTE elective tax and Partnership B did not. The OR-21-K-1 received from Partnership A is attached. The distributive proceeds are \$68,729. The addition for tax deducted at the federal level is \$6,500. The credit for PTE-elective tax paid is \$6,186.

Complete OR-21, OR-21-AP, OR-21-MD, OR-21-MD-PT and OR-21-K-1 worksheets are attached.